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Eighteenth special session
Ad Hoc Committee of the Eighteenth
Special Session
Agenda item 9

INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

Draft report of the Ad Hoc Committee of the Eighteenth Special Session

Rapporteur: Mr. Samuel R. INSANALLY (Guyana)

1. At its 1st plenary meeting, on 23 April 1990, the General Assembly established the Ad Hoc Committee of the Eighteenth Special Session and allocated to the Ad Hoc Committee the consideration of agenda item 9, entitled "International economic co-operation, in particular the revitalization of economic growth and development of the developing countries". The Assembly also elected by acclamation Mr. Constantine D. Zepos (Greece) as Chairman of the Ad Hoc Committee.

2. Pursuant to a recommendation of the Preparatory Committee for the Eighteenth Special Session, the General Assembly decided that the other officers of the Ad Hoc Committee would be Mr. Ahmed Ghezal (Tunisia), Mr. Wang Baoliu (China) and Mr. Edouard Kukan (Czechoslovakia) as Vice-Chairmen and Mr. Samuel R. Insanally (Guyana) as Rapporteur.

3. The Ad Hoc Committee held ____ meetings, on 23, 24, 25 and ____ April 1990. An account of the Ad Hoc Committee's discussions is contained in the relevant summary records (A/S-18/AC.1/SR.1-). A number of informal meetings were also held.

4. The Committee had before it the report of the Preparatory Committee for the Eighteenth Special Session (A/S-18/7 (Parts I and II)).

5. At its 1st meeting, the Committee heard statements by the Rector of the United Nations University, the Deputy Director-General of the World Intellectual Property Organization and the Deputy Director-General of the Food and Agriculture Organization of the United Nations. A representative of a non-governmental

organization also made a statement on behalf of the Conference of Non-Governmental Organizations in consultative status with the Economic and Social Council (see A/S-18/AC.1/SR.1).

6. At its 2nd meeting, on 24 April, upon the proposal of the Chairman, the Ad Hoc Committee decided to establish an open-ended drafting group to review the texts submitted to it by the Preparatory Committee for the Special Session of the General Assembly, devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries.

7. At its 3rd meeting, on 25 April, the Committee heard statements by the representatives of the United Nations Industrial Development Organization and of the World Bank (see A/S-18/AC.1/SR.3).

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INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

Draft proposal submitted by the Chairman

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The General Assembly

Adopts the following Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries:

We, the States Members of the United Nations

Solemnly proclaim our strong commitment to a new global consensus to promote international economic co-operation for sustained and sustainable growth of the world economy and, in particular, to the revitalization of economic growth and development of the developing countries so as to realize the basic right of all human beings to a life free from hunger, poverty, ignorance, disease and fear and, to that end, adopt the present Declaration.

1. This is a time of hope for a positive transformation in international relations. The reduction in international political tensions, the increasing integration of the world economy and the broad movement towards economic and political reform have created an opportunity for strengthening international economic co-operation based on the need to provide just and equal opportunities to all peoples to enable them to develop their full potential.

2. We strongly affirm the need to address together the problems of abject poverty and hunger that continue to afflict far too many people in the world and to revitalize growth and development in the developing countries. The international community has a responsibility to strongly support the efforts of the developing countries in solving their grave economic and social problems through the creation of a favourable international economic environment.

3. In an increasingly interdependent world, the developing countries can play an important role in the growth and expansion of the world economy for the progress and prosperity of all peoples.

4. Each country is responsible for its own economic policies for development, in accordance with its specific situations and conditions, and for the life and well-being of all its citizens. National policies need to take fully into account the obligations of all countries to international economic co-operation.

ASSESSMENT OF THE 1980S

5. In the decade of the 1980s, progress in developed and developing countries has been uneven. The decade was marked by an increasing gap between those groups of countries as well as by relatively slow growth and large global financial and trade imbalances. Developed market-oriented countries have succeeded to a large extent in controlling inflation and in maintaining sustained, though modest, growth. However, many countries, particularly developing ones, have encountered serious difficulties in their attempt to adapt to structural changes and to benefit from the economic growth of the industrialized countries.

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6. External and fiscal imbalances in some of the countries whose economies have the largest impact on the world economy have contributed to international monetary instability and led to higher interest rates. In the late 1980s, such imbalances have started to narrow; none the less they remain large.

7. Living conditions in most developing countries, in particular in Africa, Latin America and the Caribbean, have deteriorated. Economic and social infrastructure has eroded, impairing stability and prospects for growth and development. For many countries in these regions, the 1980s have been viewed as a decade lost for development. A number of other developing countries were able to achieve economic and social progress.

8. The role of developing countries in international trade and finance has substantially decreased, further widening the gap between those countries and the developed ones. Their capacity to service debt was seriously weakened as interest rates grew and terms of trade deteriorated. This problem has contributed to the fall in investment and the cessation of new financial flows. A long-term downward trend in the prices of commodities had devastating effects for commodity-dependent developing countries.

9. As a result, a massive transfer of resources from the developing to the developed countries took place, depriving the former of much needed resources for development. This made the process of adjustment more difficult and complicated the tasks of coping with its social consequences and obtaining the necessary political support for reform.

10. Eastern European countries were not appropriately involved in the world economic system. They faced problems of adaptation to the scientific, technological and structural changes taking place in the world economy. The need for comprehensive reform and transformation grew. In the late 1980s, fundamental political and economic changes began to take place in those countries.

11. As the world changes around us, we must respond positively. The 1980s marked the beginning of fundamental rethinking towards the achievement of economic development. A gradual convergence of views on economic policy formulation is emerging. Flexibility, creativity and innovation must be integral parts of our economic systems.

12. The world is embarking upon the last decade of the twentieth century cognizant of the profound changes that are affecting us all. Economically, the world is rapidly becoming one. This growing interdependence requires a collective and creative response to turn it to the advantage of all nations.

CHALLENGES AND OPPORTUNITIES FOR THE 1990S

13. The most important challenge for the 1990s is the revitalization of economic growth and social development in the developing countries in the context of sustained growth of the world economy and with favourable external conditions. This major challenge has to be addressed in the context of increasing interdependence and integration in the world economy.

14. There is a need to integrate the Eastern European countries into the world economy and the international economic system. This should generate positive impulses for world trade and development.

15. Economic development must be environmentally sound and sustainable. The deterioration of the environment is a cause of grave concern for all countries. Growing environmental problems, such as pollution, desertification, deforestation and climate change, increasingly pose a serious threat to the sustained and sustainable growth of the world economy.

16. Countries have to adapt their national policies to facilitate open exchange and flexible responses to the changing world economy. Effective national policies have a critical role to play in achieving sustainable, non-inflationary economic growth in all countries. Such policies should be supportive of investment as well as of the efficient allocation and mobilization of resources in order to achieve durable growth.

17. There is a need to improve the international economic environment in order to ensure the success of national policies. Under those conditions, countries can take advantage of the major advances in science and technology and the globalization of markets and thereby enhance their human capital and modernize their economies.

18. The eradication of poverty and hunger and the development of human resources remain major challenges. Economic and social progress requires that growth be broadly based, drawing all people into productive economic activity with the effective participation of both women and men and responsive public decision-making systems.

19. An early and durable solution to the international debt problem, the creation of an open and equitable trading system and concerted efforts to enable commodity-dependent developing countries to diversify their economies are among the elements required for an improved international economic environment for the 1990s.

20. The revitalization of economic growth and development of the developing countries will have to be undertaken in the context of these opportunities and challenges for the world economy. Our collective efforts will be needed to ensure that the rapidly changing realities result in a positive transformation in favour of the economic development of all countries, particularly of the developing countries.

COMMITMENTS AND POLICIES FOR INTERNATIONAL DEVELOPMENT CO-OPERATION

21. Reactivation of economic growth and development in the developing countries will require a concerted effort by all countries. The present opportunity to restore a long-term approach to development and move beyond short-term adjustment must be seized. The Members of the United Nations will endeavour to take all necessary steps to reverse the adverse trends of the 1980s, address the challenges of the 1990s and move into a more productive decade. Such

actions should take into account the responsibility of each individual country for its own development and should be in accordance with its capacity and its impact on the international economy.

22. The major industrialized countries influence world economic growth and the international economic environment profoundly. They must seek to correct their imbalances in a coherent manner that does not adversely affect other countries. The co-ordination of economic policies should take full account of the conditions and concerns of developing countries. Efforts should be made to enhance the effectiveness of multilateral surveillance.

23. In accordance with their legislation, development objectives and national priorities, developing countries should continue to work towards keeping control over inflationary tendencies, promoting domestic savings, achieving favourable conditions for domestic and foreign investment, modernizing their economies and increasing their international competitiveness.

24. Economic policies should have as their main objective the betterment of the human condition and the enhancement of the contribution of all persons to development. A primary objective must be to respond to the needs of and maximize the potential of all members of society. Expenditures on health, nutrition and other social services are a key to both improving individual welfare and successful development, while education and training are essential for sustained economic growth and must be available to all.

25. A durable and comprehensive solution of the external debt crisis of the developing countries should be given urgent attention. Mechanisms to reduce the stock and service of debt should be strengthened in order to reverse the net flow of financial resources from developing to developed countries. Such a reduction should be sufficient to permit resumption of growth and development in these countries and should address all types of debt and debtor countries. Forgiveness of the official debt of the least developed countries should be fully accomplished.

26. Substantial external resources will be called for to enable developing countries, especially the least developed among them, to cope with the challenges of the 1990s. The developed countries should enhance the quantity and quality of their aid and reaffirm their commitment to attain the agreed international target of devoting 0.7 per cent of their gross national product to official development assistance. Assistance to the least developed countries should be set in the light of the target to be set at the Second United Nations Conference on the Least Developed Countries.

27. All countries will increasingly need to integrate environmental concerns into their national development policies. The responsibility for improving the environment should be shared, yet the developed countries have the main responsibility for taking necessary measures urgently. Growth and development in developing countries should contribute to the eradication of poverty and to the protection of the environment. The United Nations Conference on Environment and Development, to be held in 1992, should elaborate appropriate measures, at both the national and international levels, to meet these objectives.

28. The multilateral financial institutions should be in a position to respond to the increasing development needs of developing countries in the 1990s. They should provide the necessary external resources to facilitate structural reform and to assist in programmes designed to alleviate adverse consequences of adjustment for poor and vulnerable groups.

29. All nations should reduce expenditures for military purposes during the 1990s, thereby opening up the possibility of enhanced spending on economic development, particularly in the developing countries. In this context, the feasibility of chanelling reductions in military expenditure into a United Nations "disarmament for development fund" should be explored.

30. An open and credible multilateral trading system is essential for the promotion of growth and development. Unilaterlism, bilaterialism and the erosion of the multilateral trading system must be arrested. Protectionism should be resisted everywhere. It is vitally important that the Uruguay Round of multilateral trade negotiations results in a balanced outcome, preserving and strengthening the multilateral trading system, enabling trade liberalization and increased market access for the exports of developing countries. The General Agreement on Tariffs and Trade should be strengthened as part of the process of attaining these objectives.

31. Commodity experts will continue to play a key role in the economies of most developing countries and to make a crucial contribution to export earnings and investment. There is a need for better functioning of commodity markets and more stable and predictable conditions. Diversification would assist the developing countries to increase and stabilize their export earnings. All countries and multilateral institutions should undertake measures to support these endeavours.

32. Developing countries should strive to promote and strengthen economic and technical co-operation among themselves. They should be effectively supported by the developed countries, as well as by the international organizations.

33. Eastern European countries should be supported in their efforts to integrate themselves into the international economy, including their adhesion to international institutions, but this must not detract from the high priority placed on international development assistance to the developing countries. Their integration will strengthen the role of Eastern Europe as a dynamic trade partner and as a market and source of technology.

34. The United Nations system should play a large role in international co-operation for revitalizing development in the 1990s. All its Member States have a responsibility for making it more effective and efficient. The United Nations is a unique forum in which the community of nations can address all issues in a comprehensive manner. Its many specialized agencies make an indispensable contribution to development. They have a major responsibility in the great task of revitalizing growth and development in the 1990s.

35. Member States agree to work for fruitful results at the forthcoming Second United Nations Conference on the Least Developed Countries, in the

elaboration of a new international development strategy, at the seventh session of the United Nations Conference on Trade and Development, at the United Nations Conference on Environment and Development and at the 1994 conference on population.

36. The States Members of the United Nations pledge themselves solemnly to advance the multilateral dialogue and respond to the challenges and commitments contained in the present Declaration through the national policies and enhanced international co-operation.

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INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

Bolivia:* draft resolution

Second United Nations Conference on the Least Developed Countries

The General Assembly,

Recalling its resolution 42/177 of 11 December 1987, by which it decided to convene the Second United Nations Conference on the Least Developed Countries in 1990, and all other relevant resolutions,

Deeply concerned at the gravity of the deteriorating economic and social situation of developing countries, especially the least developed countries, and the dismal development record of those countries during the past decade, as well as their bleak development prospects for the 1990s,

Reaffirming that there is an immediate need for a greatly expanded increase in the transfer of resources to meet the critical needs of developing countries, especially the least developed countries, and to assist in promoting their rapid and self-sustained socio-economic development,

1. Notes the conclusions and recommendations put forward by the Preparatory Committee for the Second United Nations Conference on the Least Developed Countries and the year-long process undertaken;

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* On behalf of the States Members of the United Nations that are members of the Group of 77.

2. Decides that the Second United Nations Conference on the Least Developed Countries, to be held in Paris from 3 to 14 September 1990, should be preceded by a two-day meeting for consultations among senior officials on 30 and 31 August 1990;

3. Expresses its deep appreciation to the Government of France for its generous offer to host the Second Conference;

4. Notes with appreciation the decisions of the Governments of Bangladesh, Finland, Nepal, the Netherlands, the Niger and the Union of Soviet Socialist Republics to host preparatory meetings for the Conference;

5. Requests the Secretary-General to invite the following to the Conference:

(a) All States Members of the United Nations and permanent observers to the General Assembly, and members of specialized agencies;

(b) All executive heads of the specialized agencies and the International Atomic Energy Agency, as well as other organs of the United Nations;

(c) Intergovernmental organizations in consultative status with the United Nations, which should be represented by observers at the Conference;

(d) Non-governmental organizations in consultative status with the Economic and Social Council, which should be represented by observers at a subsidiary organ of the Conference, as well as interested personalities;

6. Welcomes decision 88/30 of 1 July 1988 of the Governing Council of the United Nations Development Programme to provide assistance, through the Special Measures Fund for the Least Developed Countries, to finance the expenses of representatives of least developed countries to participate fully in the preparatory process of the Conference and in the Conference itself, and requests the Secretary-General to ensure effective participation of representatives of least developed countries in the Conference and the two-day meeting for consultations by financing the travel expenses of three representatives from each least developed country.

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INTERNATIONAL ECONOMIC CO-OPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

Bolivia:* revised draft resolution

Second United Nations Conference on the Least Developed Countries

The General Assembly,

Recalling its resolution 42/177 of 11 December 1987, by which it decided to convene the Second United Nations Conference on the Least Developed Countries in 1990, and all other relevant resolutions,

1. Decides that the Second United Nations Conference on the Least Developed Countries, to be held in Paris from 3 to 14 September 1990, should be preceded by a two-day meeting for consultations among senior officials on 30 and 31 August 1990;

2. Expresses its deep appreciation to the Government of France for its generous offer to host the Second Conference;

3. Notes with appreciation the decisions of the Governments of Bangladesh, Finland, Nepal, the Netherlands, the Niger and the Union of Soviet Socialist Republics to host preparatory meetings for the Conference;

4. Requests the Secretary-General to invite the following to the Conference:

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* On behalf of the States Members of the United Nations that are members of the Group of 77.

(a) All States Members of the United Nations and members of specialized agencies;

(b) Representatives of organizations that have received a standing invitation from the General Assembly to participate, in the capacity of observers, in the sessions and the work of all international conferences convened under its auspices to participate in the Conference in that capacity, in accordance with Assembly resolutions 3237 (XXIX) of 22 November 1974 and 43/177 of 15 December 1988;

(c) Representatives of the national liberation movements recognized by the Organization of African Unity in its region to participate in the Conference in the capacity of observers, in accordance with General Assembly resolution 3280 (XXIX) of 10 December 1974;

(d) All executive heads of the specialized agencies and the International Atomic Energy Agency, as well as other organs of the United Nations;

(e) Intergovernmental organizations in consultative status with the United Nations Conference on Trade and Development, which should be represented by observers at the Conference;

(f) Non-governmental organizations in consultative status with the United Nations Conference on Trade and Development and the Economic and Social Council, which should be represented by observers at the Conference;

5. Welcomes decision 88/30 of 1 July 1988 of the Governing Council of the United Nations Development Programme to provide assistance, through the Special Measures Fund for the Least Developed Countries, to finance the expenses of representatives of least developed countries to participate fully in the preparatory process of the Conference and in the Conference itself, and requests the Secretary-General to ensure effective participation of representatives of least developed countries in the Conference and the two-day meeting for consultations by financing from the above-mentioned fund the travel expenses of three representatives from each least developed country.